ARIZONA CORPORATION COMMISSION UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

S

W-20435A Sonoita Valley Water Company 2102 N. Forbes, Ste. 107 Tucson, AZ 85745

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Miller Charat Tare di Labbies

ANNUAL REPORT Water

FOR YEAR ENDING

12 31 2009

FOR COMMISSION USE

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4-5-10

COMPANY INFORMATION

Company Name (Business N	ame) Sonoita Va	lley Water Compa	ny
Mailing Address 2102 N. I	Forbes, #107	(Street)	
		, ,	
Tucson (City)	AZ (State		85745 (Zip)
	•	•	(EIP)
520-623-5172 Telephone Number (Include Area Code)	520-792- Fax No. (Include		Pager/Cell No. (Include Area Code)
	,	,	9
Email Address		<u>-</u>	
Local Office Mailing Address	Same as above	-	
Local Office Maning Address	Same as above	(Street)	
-			
(City)	(State	3)	(Zip)
Local Office Telephone Number (Include Area C	Code) Fax No. (Inclu-	de Area Code)	Pager/Cell No. (Include Area Code)
Email Address			
			<u></u>
	MANAGE	MENT INFORM	<u>IATION</u>
		. T	
Management Contact: Sou	uthwestern Utility M	anagement, Inc.	
Management Contact: Sou	uthwestern Utility M	anagement, Inc.	(Title)
	(Name)		(Title) 85745
2102 N. Forbes, #107 (Street)	- ,	AZ (State)	
2102 N. Forbes, #107 (Street) 520-623-5172	(Name) Tucson (City) 520-792	AZ (State)	85745 (Zip)
2102 N. Forbes, #107 (Street)	(Name) Tucson (City)	AZ (State)	85745
2102 N. Forbes, #107 (Street) 520-623-5172	(Name) Tucson (City) 520-792	AZ (State)	85745 (Zip)
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2102 N. Forbes, #107 (Street) 520-623-5172 Telephone Number (Include Area Code)	(Name) Tucson (City) 520-792 Fax No. (Include	AZ (State) -0377 e Area Code)	85745 (Zip)
2102 N. Forbes, #107 (Street) 520-623-5172 Telephone Number (Include Area Code) Email Address On Site Manager: Matthew E	(Name) Tucson (City) 520-792 Fax No. (Include	AZ (State) -0377 e Area Code) (Name)	85745 (Zip) Pager/Cell No. (Include Area Code)
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Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent	Ezra H. Lewis		•		
	(Name)				
2102 N. Forbes, #	±107	Fucson (City)	AZ (State)	85745 (Zip)	
520-623-5	5172	520-792-03		(-5.p)	
Telephone Number (Inc.		Fax No. (Include Ar		Pager/Cell No. (Include Area Code)	
Attorney: (Name)					
(Ivality)					
(Street)		(City)	(State)	(Zip)	
Telephone Number (Inc	lude Area Code)	Fax No. (Include Ar	rea Code)	Pager/Cell No. (Include Area Code)	
		OWNERS	HIP INFORMA	ΓΙΟΝ	
		OWIVERS	III II ORWA		
Check the following	box that applies	s to you company:			
Sole Proprietor	r (S)		C Corporation (C) (Other than Association/Co-Op)	
Partnership (P)	\boxtimes	Subchapter S Co	orporation (Z)	
Bankruptcy (B)		Association/Co-	Op (A)	
Receivership (l	R)		Limited Liability	y Company	
Other (Describ	e)				
				· ·	
		<u>COU.</u>	NTIES SERVEI	<u>)</u>	
Check the box below	w for the county/	ies in which you a	re certificated to	provide service:	
АРАСНЕ		⊠ COCHISE	E .	☐ COCONINO	
☐ GILA		☐ GRAHAM	1	☐ GREENLEE	
LA PAZ		MARICO	RICOPA MOHAVE		
☐ NAVAJO		☐ PIMA	PIMA PINAL		
☐ SANTA CRUZ	Z	☐ YAVAPA	YAVAPAI UYUMA		
☐ STATEWIDE					

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D (OC less AD)
301	Organization	199		199
302	Franchises		***************************************	
303	Land and Land Rights	-		
304	Structures and Improvements	4296	674	3622
307	Wells and Springs	57374	14469	42905
311	Pumping Equipment	54687	11183	43504
320	Water Treatment Equipment	1955	191	1764
330	Distribution Reservoirs and Standpipes	5985	5844	141
331	Transmission and Distribution Mains	110560	79917	30643
333	Services	4606	3249	1357
334	Meters and Meter Installations	5190	1661	3529
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	244852	117188	127664

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)*
301	Organization	199		
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	4296	5%	191
307	Wells and Springs	57374	5%	2258
311	Pumping Equipment	54687	5%	2290
320	Water Treatment Equipment	1955	5%	93
330	Distribution Reservoirs and Standpipes	5985	5%	7
331	Transmission and Distribution Mains	110560	5%	1613
333	Services	4606	5%	71
334	Meters and Meter Installations	5190	5%	186
335	Hydrants		1	
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	<u>-</u>		
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	-		
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	244852		6709

This amount goes on Comparative statement of Income and Expense Acct. No. 403.-

Depreciation for 2009 is calculated on O.C.L.D.

BALANCE SHEET

Acct.	ASSETS		BALANCE AT BEGINNING OF YEAR		BALANCE AT END OF YEAR	
-	CURRENT AND ACCRUED ASSETS					-
131	Cash	\$	1339	\$	1004	
134	Working Funds					
135	Temporary Cash Investments					
141	Customer Accounts Receivable		1899		1936	
146	Notes/Receivables from Associated Companies					
151	Plant Material and Supplies					
162	Prepayments					
174	Miscellaneous Current and Accrued Assets					
	TOTAL CURRENT AND ACCRUED ASSETS	\$	3238	\$	2940	-
	FIXED ASSETS					
101	Utility Plant in Service	\$	241744	\$	244852	
103	Property Held for Future Use					
105	Construction Work in Progress					
108	Accumulated Depreciation – Utility Plant		(110479)		(117188	<u>)</u>
121	Non-Utility Property					
122	Accumulated Depreciation – Non Utility					
	TOTAL FIXED ASSETS	- \$	131265	\$	127664	
	TOTAL ASSETS	\$	134503	\$	130604	

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

BALANCE SHEET (CONTINUED)

Acct.	LIABILITIES		BALANCE AT BEGINNING OF YEAR		BALANCE AT END OF YEAR	
	CURRENT LIABILITIES					
231	Accounts Payable	\$	6061	\$	10659	
232	Notes Payable (Current Portion)					
234	Notes/Accounts Payable to Associated Companies		132000		145499	
235	Customer Deposits		2321		2319	
236	Accrued Taxes		329		109	
237	Accrued Interest					
241	Miscellaneous Current and Accrued Liabilities					
	TOTAL CURRENT LIABILITIES	\$	140711	\$	158586	
· -	LONG-TERM DEBT (Over 12 Months)					
224	Long-Term Notes and Bonds	\$		\$		
	DEFERRED CREDITS					
251	Unamortized Premium on Debt	\$		\$		
252	Advances in Aid of Construction					
255	Accumulated Deferred Investment Tax Credits					
271	Contributions in Aid of Construction		5200		5200	
272	Less: Amortization of Contributions		.(.3640)		(3900	
281	Accumulated Deferred Income Tax					
	TOTAL DEFERRED CREDITS	\$	1560	\$	1300	
	TOTAL LIABILITIES	\$	142271	\$	159886	
	CAPITAL ACCOUNTS					
201	Common Stock Issued	\$	1000	\$	1000	
211	Paid in Capital in Excess of Par Value*	1	39900	<u> </u>	39900	
215	Retained Earnings		(48668)		(70182	
218	Proprietary Capital (Sole Props and Partnerships)			1	<u> </u>	
	TOTAL CAPITAL	\$	(7768)	\$	(29282	
	TOTAL LIABILITIES AND CAPITAL	\$	134503	\$	130604	

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct.	OPERATING REVENUES	PRIO	R YEAR	CU	RRENT YEAR
No.	M. IW. D		10270	Φ.	24902
461	Metered Water Revenue	\$	18368	\$	24803
460	Unmetered Water Revenue		200		
474	Other Water Revenue		30	Φ.	60
	TOTAL REVENUES	\$	18398	\$	24863
	OPERATING EXPENSES				
601	Salaries and Wages	\$		\$	
610	Purchased Water			, T	
615	Purchased Power		3141		3832
618	Chemicals		809		909
620	Repairs and Maintenance	- 	4397	-	4010
621	Office Supplies and Expense		354	_	438
630	Outside Services		14162	-	18735
635	Water Testing		708		1358
641	Rents		, , , , ,		
650	Transportation Expense		4462		7816
657	Insurance – General Liability		1541	+	1549
659	Insurance – Health and Life				
666	Regulatory Commission Expense – Rate Case				605
675	Miscellaneous Expense				-
403	Depreciation Expense		6638		6449
408	Taxes Other Than Income				
408.11	Property Taxes		675		670
409	Income Tax			<u> </u>	
	TOTAL OPERATING EXPENSES	\$	36887	\$	46371
	OPERATING INCOME/(LOSS)	\$	(18489) \$	(21508
	OTHER INCOME/(EXPENSE)				
419	Interest and Dividend Income	\$		\$	
421	Non-Utility Income		42		18
426	Miscellaneous Non-Utility Income				
427	Interest Expense				(24
	TOTAL OTHER INCOME/(EXPENSE)	\$	42	\$	
	NET INCOME (# OCC.		(10445	\	(01514
	NET INCOME/(LOSS)	\$	(18447) \$	(21514

SUPPLEMENTAL FINANCIAL DATA Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$. \$	\$
Current Year Principal	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	\$ 1784	
Meter Deposits Refunded During the Test Year	\$ 52	

Name of System: Sonoita - Los Encinos

ADEQ Public Water System Number: 12-010

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-620789	5		500	6		

^{*} Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtaine (in thousands)		
None				

	BOOSTER I	PUMPS	FIRE HYDRANTS		
	Horsepower	Quantity	Quantity Standard	Quantity Other	
5		1		023 044 044 044 044 044 044 044 044 044 04	
			·		
L		·			

STORAGE	TANKS	PRESSURE TANKS		
Capacity	Quantity	Capacity	Quantity	
10,000	1			
·				
-				

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Sonoita Valley Water

Name of System: Sonoita Valley ADEQ Public Water System Number: 12-005

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-633050	2	10	202	4	5/8	N/A
55-528690	1	7	296	6	5/8	1990
55-214359	5	35	830	6	5/8	2007

^{*} Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtaine (in thousands)		
None				

BOOSTER PUMPS			FIRE HY	ZDRANTS
	Horsepower	Quantity	Quantity Standard	Quantity Other
5	,	2		
,				
	·			· · · · · · · · · · · · · · · · · · ·
			,	

STORAGE TANKS		PRESSURE TANKS		
Capacity	Quantity	Capacity	Quantity	
10,000	2	3,000	1	
•				
		·		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Sonoita Valley Water Company				
Name of System: Sonoita Valley	ADEQ Public Water System Number: 12-005			

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	<u>300</u>
3	<u>PVC</u>	<u>5838</u>
4	<u>PVC</u>	<u>6570</u>
5		
6		
8		
10		
12		
4	PVC	<u>6781</u>
*		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ³ / ₄	<u>39</u>
3/4	
1	<u>1</u>
1 1/2	<u>1</u>
2	
Comp. 3	
Turbo 3	
Comp. 4	r
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

250' – 5' CHAIN LINK FENCE

OTHER:					•	
		 	 			
		 	 			 · · · · · · · · · · · · · · · · · · ·
		 	 			

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: S	Sonoita V	alley 1	Water (Company
-----------------	-----------	---------	---------	---------

Name of System: Sonoita Valley

ADEQ Public Water System Number: 12-005

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED	GALLONS PURCHASED
		(Thousands)	(Thousands)	(Thousands)
JANUARY	36	508.6	595.8	0
FEBRUARY	36	117.9	269.2	0
MARCH	36	137.2	228.4	0
APRIL	37	197.7	348.9	0
MAY	36	283.6	465.2	0
JUNE	36	264.3	310.7	0
JULY	36	243.3	303.5	0
AUGUST	36	256.4	307.1	0
SEPTEMBER	36	221.5	265.0	0
OCTOBER	36	288.2	417.8	0
NOVEMBER	35	124.4	177.8	0
DECEMBER	35	155.4	207.6	0
	TOTALS →	2798.9	3897	0

(If more than one well, please	se list each separately.)
If system has fire hydra	nts, what is the fire flow requirement? N/A GPM forhrs
If system has chlorination (x) Yes	on treatment, does this treatment system chlorinate continuously? () No
Is the Water Utility loca () Yes	ted in an ADWR Active Management Area (AMA)? (x) No
Does the Company have	e an ADWR Gallons Per Capita Per Day (GPCPD) requirement? (x) No
If yes, provide the GPC	PD amount:

Note: If you are filing for more than one system, please provide separate data sheets for each system.

Name of System: Sonoita – Los Encinos ADEQ Public Water System Number: 12-010

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	0	0
FEBRUARY	0	0	0
MARCH	0	0	0
APRIL	0	0	0
MAY	0	0	0
JUNE	0	0	0
JULY	0	0	0
AUGUST	0	0	0
SEPTEMBER	0	0	0
OCTOBER	0	0	. 0
NOVEMBER	0	0	0
DECEMBER	0	0	0
TOTALS>	0	0	0

OTHER (description):						
				-		
						
	The same of the sa					
					-	
						4

Name of System: Sonoita Valley ADEQ Public Water System Number: 12-005

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	0	0
FEBRUARY	0	0	0
MARCH	0	0	0
APRIL	0	0	0
MAY	0	0	0
JUNE	0	0	0
JULY	0	0	0
AUGUST	0	0	0
SEPTEMBER	0	0	0
OCTOBER	0	0	0
NOVEMBER	0	0	0 .
DECEMBER	0	. 0	0
TOTALS	. 0	0	0

OTHER (description):								

		· · · · · · · · · · · · · · · · · · ·	·	 				
					-			· · · · · ·
						<u>,</u>		
	· · · · · · · · · · · · · · · · · · ·			·				

COMPANY NAME Sonoita Valley Water Company	YEAR ENDING 12/31/2009
PROPERTY TAXES	
Amount of actual property taxes paid during Calendar year 2009 was \$670)
Attach to this annual report proof (e.g. property tax bills stamped "paid in property tax payments) of any and all property taxes paid during the calen	full" or copies of cancelled checks for
If no property tax paid, explain why.	

VERIFICATION AND SWORN STATEMENT Taxes

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED

OF THE

(COUNTY OF (COUNTY NAME)		
Pima		
NAME (OWNER OR OFFICIAL)	TITLE	
Bonnie O'Connor	Manager	
COMPANY NAME		
Sonoita Valley Water Company	y .	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS. PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

SIGNATURE OF OWNER OR OFFICIAL

520-1023-5172

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME EILEN PLEI AND

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

DAY OF

COUNTY NAME D.

MONTH MARCH

20 16

THIS

Elleen P. Delaney
NCTARY PUBLICT ARIZONA
PIMA COUNTY

Wy Commission Expires
May 14, 2012

MY COMMISSION EXPIRES MAY 14, 2012

SIGNATURE OF NOTARY PUBLIC

	-
COMPANY NAME Sonoita Valley Water Company	YEAR ENDING 12/31/2009
INCOM	E TAXES
For this reporting period, please provide the following:	
Federal Taxable Income Reported Estimated or Actual Federal Tax Liability	S Corporation
State Taxable Income Reported Estimated or Actual State Tax Liability	S Corporation
Amount of Grossed-Up Contributions/Advances:	
Amount of Contributions/Advances Amount of Gross-Up Tax Collected Total Grossed-Up Contributions/Advances	· · · · · · · · · · · · · · · · · · ·
the tax year when tax returns are completed. Pursuan Payer or if any gross-up tax refunds have already been	refund any excess gross-up funds collected at the close of t to this Decision, if gross-up tax refunds are due to any made, attach the following information by Payer: name ross-up tax collected, the amount of refund due to each hade the refund to the Payer.
CERTIFICATION	
prior year's annual report. This certification is to be	efunded to Payers all gross-up tax refunds reported in the signed by the President or Chief Executive Officer, if a ship; the managing member, if a limited liability company
SIGNATURE SIGNATURE	3/29/10 DATE
Ezra H. Lewis	President

TITLE

PRINTED NAME

VERIFICATION AND

	SWORN STATEMENT
•	Intrastate Revenues Only
ERIFICATION	
TATE OF	COUNTY OF (COUNTY NAME)

VERIFICATION		MALE A TELESCOPE
STATE OF	COUNTY OF (COUNTY NAME)	
Arizona	Pima	
I, THE UNDERSIGNED	NAME (OWNER OR OFFICIAL) TITLE	7.4
	Bonnie O'Connor, Manager	
OF THE	COMPANY NAME	
	Sonoita Valley Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT ITS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS **DURING CALENDAR YEAR 2009 WAS:**

> Arizona Intrastate Gross Operating Revenues Only (\$) \$ 26449.00

(THE AMOUNT IN THE BOX ABOVE INCLUDES \$ 1,647.00 IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

520-1023-5172 TELEPHONE NUMBER

COUNTY NAME PIMA

SUBSCRIBED AND SWORN TO BEFORE ME EILEEN PIELANEY

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

NGTAR POBLIC ARIZONA My Commission Expires May 14, 2012 (SEAL)

DAY OF

MONTH MARCAL

2010

MY COMMISSION EXPIRES

See Accountants' Report.

17

VERIFICATION AND **SWORN STATEMENT** RESIDENTIAL REVENUE

Intrastate Revenues Only

VERIFICATION

STATE OF ARIZONA I, THE UNDERSIGNED

OF THE

(COUNTY NAME) Pima NAME (OWNER OR OFFICIAL) TITLE Bonnie O'Connor Manager COMPANY NAME Sonoita Valley Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS. PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01 ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING **CALENDAR YEAR 2009 WAS:**

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 21,925.00

(THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 1,448.00

IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE

MUST INCLUDE SALES TAXES BILLED.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC IN AND FOR THE COUNTY OF

Elleen P. Delaney NOTARY PUBLIC - ARIZONA PIMA COUNTY My Commission Expires

DAY OF

May 14, 2012 MY COMMISSION EXPIRES MA-1 14, 2012

See Accountants' Report

20 \

18

	28,000	6,160	6,16 HUIAL IAK OUE	. V4 U./U
00.0050	ACREAGE:	JURISTICHON	ANS CONTRACTOR	
0042956 SITUS ADDRESS		02000 SANTA CRUZ COUNTY 02001 STATE SCHOOL TAX		178:37 20:36
		05025 SONOITA SD #25 06102 PATAGONIA UHS	243.13 132.13	302.68 2 133.13
LEGAL DESCRIPTION:		11204 SONOTTA ELGIN FD	93.80	(0.00)
3		11900 FIRE DISTRICT AS: 15001 SANTA CRUZ COUNTY		6. i.i. b. 00

This is the only notice you will receive.

Caesar Ramirez Santa Cruz County Treasurer PO Box 1150 Nogales, AZ 85628

THIS IS A
CALENDAR YEAR
TAX NOTICE

919-52-500 9

090916 12 R A0011 02304

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS

CHARLS 1012

699.88

640,70

PAYMENT INSTRUCTIONS

To pay the 1st half installment and full year tax notices of \$100 or less, send the 1st half coupon with your payment postmarked no later than Nov 2, 2009 To pay 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 3, 2010. To pay taxes for the full year if the entire amount billed exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec 31, 2009, and no interest will be charged for the current year.

PLEASE INCLUDE YOUR Santa Cruz Cou PARCEL NUMBER PO Box 1150 ON YOUR CHECK Nogales, AZ 85

Make your check payable to and mail to Caesar Ramirez Santa Cruz County Treasurer PO Box 1150 Nogales, AZ 85628

HOLM, HESTAND & VALENZUELA, CPAS, P.C. CERTIFIED PUBLIC ACCOUNTANTS 3131 NORTH COUNTRY CLUB ROAD, SUITE 109 TUCSON, ARIZONA 85716

DOUGLAS R. HOLM, CPA EMMA K. HESTAND, CPA JANETTE G. VALENZUELA, CPA TELEPHONE: (520) 326-8483 FAX: (520) 795-5191 E-MAIL: HHVCPA@EARTHLINK.NET

We have compiled the balance sheets of Sonoita Valley Water Company as of December 31, 2009 and 2008, and the related comparative statements of income and expense for the years then ended, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above, and accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and the supplementary information are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Hoen, Hosterof Valeriala CPH. P.C.

March 17, 2010

ARIZONA CORPORATION COMMISSION UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02017A

Southern Water Corporation
P.O. Box 85160
Tucson, AZ 85754

* Delongs under Sonoita Valley Water

ANNUAL REPORT WATER

FOR YEAR ENDING

12 31 2009

FOR COMMISSION USE

ANN 04

09

PROCESSED BY:

SCANNED

COMPANY INFORMATION

Company Name (Business Name)	Southern Water Corporation	
Mailing Address 2102 N. Forbes.	, #107 (Street)	
Tucson (City)	AZ (State)	85745 (Zip)
520-623-5172 Telephone Number (Include Area Code)	520-792-0377 Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address		
Local Office Mailing Address Same	e as above (Street)	
(City)	(State)	(Zip)
Local Office Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address		

MANAGEMENT INFORMATION

Management Contact: S	outhwestern Utility M	lanagement, Inc.	
	(Name)		(Title)
2102 N. Forbes, #107	Tucson	AZ	85745
(Street)	(City)	(State)	(Zip)
520-623-5172	520-792	2-0377	
Telephone Number (Include Area Code) Fax No. (Includ	le Area Code)	Pager/Cell No. (Include Area Code)
Email Address			
Email Address On Site Manager:Matthew	England	(Name)	
On Site Manager: Matthew	England Tucson	(Name) AZ	85745
			85745 (Zip)
On Site Manager: Matthew 2102 N. Forbes, #107	Tucson	AZ (State)	(Zip)
On Site Manager: Matthew 2102 N. Forbes, #107 (Street)	Tucson (City) 520-792	AZ (State) 2-0377	
On Site Manager:Matthew 2102 N. Forbes, #107 (Street) 520-623-5172	Tucson (City) 520-792	AZ (State) 2-0377	(Zip)

Statutory Agent	Ezra H. Lewis			
	(Name)			
2102 N. Forbes, #		ucson (City)	AZ (State)	85745 (Zip)
520-623-5		520-792-0377	. ,	
Telephone Number (Inc.	ude Area Code)	Fax No. (Include Area Cod	le)	Pager/Cell No. (Include Area Code)
Attorney: (Name)	- dr			
(Street)		(City)	(State)	(Zip)
Telephone Number (Inc.	lude Area Code)	Fax No. (Include Area Coo	le)	Pager/Cell No. (Include Area Code)
		OWNERSHIP	INFORMATI	<u>(ON</u>
Check the following	g box that applies	to you company:		
Sole Proprietor	r (S)	C Corporation (C) (Other than Association/Co-Op)		
Partnership (P)	⊠ Sub	chapter S Cor	poration (Z)
☐ Bankruptcy (B	3)	Asso	ociation/Co-O	p (A)
Receivership (R)	Lim	ited Liability	Company
Other (Describ	e)			
и.				·
			ES SERVED	
Check the box belo	w for the county/i	es in which you are co	ertificated to pr	
□ АРАСНЕ		☐ COCHISE		COCONINO
☐ GILA		☐ GRAHAM	[GREENLEE
☐ LA PAZ		☐ MARICOPA	[MOHAVE
☐ NAVAJO		☐ PIMA	[PINAL
SANTA CRUZ	Z	☐ YAVAPAI	. [YUMA
☐ STATEWIDE				

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			7-2
304	Structures and Improvements	1965	191	1774
307	Wells and Springs	650	147	503
311	Pumping Equipment	31367	4817	26550
320	Water Treatment Equipment	2866	279	2587
330	Distribution Reservoirs and Standpipes	22701	2482	20219
331	Transmission and Distribution Mains	33092	4418	28674
333	Services			
334	Meters and Meter Installations	2843	307	2536
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			_
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	95484	12641	82843

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)*
301	Organization	-		
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	1965	5%	93
	Wells and Springs	650	5%	27
311	Pumping Equipment	31367	5%	1397
320	Water Treatment Equipment	2866	5%	136
330	Distribution Reservoirs and Standpipes	22701	5%	1064
331	Transmission and Distribution Mains	33092	5%	1509
333	Services			(139)
334	Meters and Meter Installations	2843	5%	133
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment	12		
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			-
347	Miscellaneous Equipment			
348	Other Tangible Plant			
· · · · · · · · · · · · · · · · · · ·	TOTALS	95484		4220

This amount goes on Comparative statement of Income and Expense Acct. No. 403. -

Depreciation for 2009 is based on O.C.L.D.

BALANCE SHEET

Acct. No.	ASSETS		BALANCE AT BEGINNING OF YEAR		BALANCE AT END OF YEAR	
	CURRENT AND ACCRUED ASSETS			· -		
131	Cash	\$	3903	\$	1004	\exists
134	Working Funds					
135	Temporary Cash Investments					
141	Customer Accounts Receivable		5147		5449	
146	Notes/Receivables from Associated Companies				2499	
151	Plant Material and Supplies					
162	Prepayments					
174	Miscellaneous Current and Accrued Assets					
	TOTAL CURRENT AND ACCRUED ASSETS	\$	9050	\$	8952	
	FIXED ASSETS					
101	Utility Plant in Service	\$	95621	\$	95484	
103	Property Held for Future Use					i
105	Construction Work in Progress					
108	Accumulated Depreciation – Utility Plant		(8421)		(12641)
121	Non-Utility Property					
122	Accumulated Depreciation – Non Utility					
	TOTAL FIXED ASSETS	\$	87200	\$	82843	
	TOTAL ASSETS	\$	96250	\$	91795	

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR		BALANCE AT END OF YEAR	
	CURRENT LIABILITIES				
231	Accounts Payable	\$		\$	9484
232	Notes Payable (Current Portion)	- -			
234	Notes/Accounts Payable to Associated Companies	-	94300		94300
235	Customer Deposits	- .	350		450
236	Accrued Taxes		169		231
237	Accrued Interest				
241	Miscellaneous Current and Accrued Liabilities				
	TOTAL CURRENT LIABILITIES	\$	94819	\$	104465
	LONG-TERM DEBT (Over 12 Months)				
224	Long-Term Notes and Bonds	\$	1	\$	
	DEFERRED CREDITS				
251	Unamortized Premium on Debt	\$		\$	
252	Advances in Aid of Construction				
255	Accumulated Deferred Investment Tax Credits				
271	Contributions in Aid of Construction				
272	Less: Amortization of Contributions				
281	Accumulated Deferred Income Tax				
	TOTAL DEFERRED CREDITS	\$		\$	
	TOTAL LIABILITIES	\$	94819	\$	104465
	CAPITAL ACCOUNTS				
201	Common Stock Issued	\$	25100	\$	25100
211	Paid in Capital in Excess of Par Value*			ļ	
215	Retained Earnings		(23669)	ļ	(37770
218	Proprietary Capital (Sole Props and Partnerships)			1	
	TOTAL CAPITAL	\$	1431	\$	(12670
-	TOTAL LIABILITIES AND CAPITAL	\$	96250	-	91795

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES		R YEAR	CURRENT YEAR		
461	Metered Water Revenue	\$	33885	\$	39222	
460	Unmetered Water Revenue					
474	Other Water Revenue		40		30	
	TOTAL REVENUES	\$	33925	\$	39252	
··· - ·····	OPERATING EXPENSES					
601	Salaries and Wages	\$		\$		
610	Purchased Water					
615	Purchased Power		2984		3448	
618	Chemicals		2045		909	
620	Repairs and Maintenance		1019		1228	
621	Office Supplies and Expense		366		639	
630	Outside Services		20702		24416	
635	Water Testing		2602		1974	
641	Rents					
650	Transportation Expenses		5818		6510	
657	Insurance – General Liability					
659	Insurance – Health and Life					
666	Regulatory Commission Expense – Rate Case				8873	
675	Miscellaneous Expense					
403	Depreciation Expense		4589		4220	
408	Taxes Other Than Income					
408.11	Property Taxes		1235		1196	
409	Income Tax					
	TOTAL OPERATING EXPENSES	\$	41360	\$	53413	
	OPERATING INCOME/(LOSS)	\$	(7435) \$	(14161)	
	OTHER INCOME/(EXPENSE)				•	
419	Interest and Dividend Income	\$		\$		
421	Non-Utility Income		36		60	
426	Miscellaneous Non-Utility Income					
427	Interest Expense		(3)		
	TOTAL OTHER INCOME/(EXPENSE)	\$	33	\$	60	
	NET INCOME/(LOSS)	\$	(7402) \$	(14101	

SUPPLEMENTAL FINANCIAL DATA Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	5 %	%	%
Current Year Interest	\$	* \$	\$	\$
Current Year Principal	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	\$ -0-	•		
Meter Deposits Refunded During the Test Year	\$ -0-			

COMPANY NAME: Sonoita Valley Water

Name of System: Southern - Downtown ADEQ Public Water System Number: 12-308

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-620783	7.5		450	8		

^{*} Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS		
Horsepower	Quantity	Quantity Standard	Quantity Other	
7.5	1			
			187.	
	,			

STORAGE TANKS		PRESSURE TANKS			
Capacity	Quantity	Capacity	Quantity		
10,000	1	65 Gal. Bladder	4		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY	NAME.	Sonoita	Valley	/ Water	Company
COMPANI	NAIVIL:	Sonona	valley	vvaler	Company

Name of System: Southern - Downtown

ADEQ Public Water System Number: 12-308

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	10,560
3		
4		
5		
6		
8		
10		
12		
<u>2</u>		
3	PVC	<u>1,320</u>
	· · · · · · · · · · · · · · · · · · ·	

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ³ / ₄	<u>18</u>
3/4	
1	
1 1/2	
2	
Comp. 3	<u>1</u>
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:			
chain link fence at each well site	 	 -	
OTHER:			
		 	-
	 ·	 	

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Sonoita Valley Water C	Company	
Name of System: Southern - Downtown	ADEQ Public Water System Number: 12-010	-

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	1320
3		
4		
5		
6		
8		
10		
12		
2		
3	*	

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ³ / ₄	<u>36</u>
3/4	
1	
1 1/2	<u>1</u>
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:					
· · · · · · · · · · · · · · · · · · ·	-		· · · · · · · · · · · · · · · · · · ·	 	

Note: If you are filing for more than one system, please provide separate sheets for each system.

Name of System: Southern - Downtown

ADEQ Public Water System Number: 12-308

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	19	141	141	0
FEBRUARY	19	57.4	57.4	0
MARCH	19	104.9	104.9	0
APRIL	19	160.8	160.8	0
MAY	19	183	183	0
JUNE	19	166.7	166.7	0
JULY	19	119.4	206	0
AUGUST	19	141.2	185.7	0
SEPTEMBER	19	173.9	185.8	0
OCTOBER	19	87.3	188.1	0
NOVEMBER	19	71	155.9	0
DECEMBER	18	112.8	112.8	0
	TOTALS →	1519.4	1848.10	0

What is the level of arsenic for each well on your system?0038mg/l (If more than one well, please list each separately.)
If system has fire hydrants, what is the fire flow requirement? N/A GPM forhrs
If system has chlorination treatment, does this treatment system chlorinate continuously? (x) Yes () No
Is the Water Utility located in an ADWR Active Management Area (AMA)? () Yes (x) No
Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement? () Yes (x) No
If yes, provide the GPCPD amount:

Note: If you are filing for more than one system, please provide separate data sheets for each system.

See Accountant's Compilation Report

Name of System: Southern – Los Encinos ADEQ Public Water System Number: 12-010

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	35	221.6	280.6	0
FEBRUARY	35	120.1	202.6	0
MARCH	35	184.9	283.8	0
APRIL	35	293.4	406.7	0
MAY	35	383.2	534.1	0
JUNE	37	367.9	507.8	0
JULY	35	279	392.4	0
AUGUST	35	327.4	418.3	0
SEPTEMBER	35	220	334.4	0
OCTOBER	36	360.9	492.7	0
NOVEMBER	36	188.1	265.4	0
DECEMBER	35	298.7	298.7	0
	TOTALS →	3245.2	4417.5	0

What is the level of arsenic for (If more than one well, please list	or each well on your system?0038mg/leach separately.)
If system has fire hydrants, w	hat is the fire flow requirement? N/A GPM forhrs
If system has chlorination tree (x) Yes (atment, does this treatment system chlorinate continuously?) No
Is the Water Utility located in () Yes (>	n an ADWR Active Management Area (AMA)? (a) No
Does the Company have an A () Yes ()	ADWR Gallons Per Capita Per Day (GPCPD) requirement?
If yes, provide the GPCPD ar	mount:

Note: If you are filing for more than one system, please provide separate data sheets for each system.

See Accountant's Compilation Report

Name of System: Southern - Downtown

ADEQ Public Water System Number: 12-308

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	0	0
FEBRUARY	0	0	0
MARCH	0	0	0
APRIL	0	0	0
MAY	0	0	0
JUNE	0	0	0
JULY	0	0	0
AUGUST	0	0	0
SEPTEMBER	0	0	0
OCTOBER	0	0	0
NOVEMBER	0	0	0
DECEMBER	1	0	0
TOTALS -	0	0	0

OTHER (description):					
	<u></u>	<u>-</u>	 	 	
	1000 E		 	 	
	•			 	

COMPANY NAME Southern Wat	ter Corporation		YEAR END	ING 12/31/2009
	PROPERT	Y TAXES		
Amount of actual property taxes pai	id during Calendar yea	ar 2009 was \$ <u>119</u>	96_	
Attach to this annual report proof (e property tax payments) of any and a F	all property taxes paid	during the calend	lar year.	
If no property tax paid, explain why	у			
				, , , , , , , , , , , , , , , , , , , ,
		-		
-				

VERIFICATION AND **SWORN STATEMENT Taxes**

P			11.	7* 1		1. 24.	٠.,
	14.0					5	
		4			 4 7	100	8 0
			•			·	4

VERIFICATION

STATE OF ARIZONA I, THE UNDERSIGNED

OF THE

(COUNTY OF (COUNTY NAME)	
Pima	
NAME (OWNER OR OFFICIAL)	TITLE
Bonnie O'Connor	Manager
COMPANY NAME	
Southern Water Corporation	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION **COMMISSION**

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS. PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

SIGNATURE OF OWNER OR OFFICIAL

520-623-5172

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME EILERY PDELANDY

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

DAY OF

20 IV

Eileen P. Delaney NOTARY PUBLIC ARIZONA PIMA COUNTY My Commission Expires May 14, 2012

MY COMMISSION EXPIRES MAY 14, 2012

SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Southern Water Corporation	YEAR ENDING 12/31/2009
INCOM	E TAXES
For this reporting period, please provide the following:	
Federal Taxable Income Reported Estimated or Actual Federal Tax Liability	S Corporation
State Taxable Income Reported Estimated or Actual State Tax Liability	S Corporation
Amount of Grossed-Up Contributions/Advances:	
Amount of Contributions/Advances Amount of Gross-Up Tax Collected Total Grossed-Up Contributions/Advances	
the tax year when tax returns are completed. Pursuant Payer or if any gross-up tax refunds have already been	efund any excess gross-up funds collected at the close of to this Decision, if gross-up tax refunds are due to any made, attach the following information by Payer: name ross-up tax collected, the amount of refund due to each ade the refund to the Payer.
CERTIFICATION	
prior year's annual report. This certification is to be	funded to Payers all gross-up tax refunds reported in the signed by the President or Chief Executive Officer, if a hip; the managing member, if a limited liability company
SICNATURE	3/29/10

Manager TITLE

Bonnie O'Connor PRINTED NAME

VERIFICATION AND **SWORN STATEMENT Intrastate Revenues Only**

VERIFICATION	
STATE OF	

Arizona

COUNTY OF (COUNTY NAME)

Pima

I, THE UNDERSIGNED

NAME (OWNER OR OFFICIAL) TITLE

Bonnie O'Connor, Manager COMPANY NAME

OF THE

Southern Water Corporation

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT ITS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS **DURING CALENDAR YEAR 2009 WAS:**

> Arizona intrastate Gross Operating Revenues Only (\$) \$ 41856.00

(THE AMOUNT IN THE BOX ABOVE INCLUDES \$ <u>2604.00</u> IN SALES TAXES BILLED, OR COLLECTED)

REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON. THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE **DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME EILEEN PELANE!

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

(SEAL)

NOTARK PUBLIC ARIZONA

DAY OF

NV Commission Expires May 14, 2012

MY COMMISSION EXPIRES

COUNTY NAME

PIME

20 10 MONTHMARIA

See Accountants' Report.

VERIFICATION AND SWORN STATEMENT RESIDENTIAL REVENUE

Intrastate Revenues Only

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	İ	OF (COUNTY NA	ME)		4.1		
STATE OF ARIZONA	Pima			-			
	NAME (OW	NAME (OWNER OR OFFICIAL)		тг	TITLE		
THE UNDERSIGNED	Bonnie	Bonnie O'Connor			Manager		
	COMPANY			<u>l</u>			
F THE	Souther	rn Water Cor			X.		
OO SAY THAT THIS ANNUAL U	TILITY REF	ORT TO T	HE ARIZ		·	ATION	
OR THE YEAR ENDING	. 1	NTH 2	DAY 31	YEAR 2009	1		
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DOLLAR!

PO Box 85160 TUCSON, AZ 85754 (520) 623-5172

WELLS FARGO BANK, N.A. WWW.WELLSFARGO.COM 91-527/1221

1/30/2009

Caesar Ramirez - Santa Cruz Co. Treasurer ORDER OF Six Hundred Thirty-Five and 08/100**********

*****635.08

Caesar Ramirez Santa Cruz County Treasurer

2150 N. Congress Dr. Nogales, AZ 85621-1091

MEMO:

PAY TO THE

"" OO 1 1 O 2 "" #12210527B#5306074500#

SOUTHERN WATER CO.

Caesar Ramirez - Santa Cruz Co. Treasurer

1102

Date Type Reference

Original Amt. 635,08

1/30/2009 Balance Due Discount 635.08

Payment 635.08 635.08

1/27/2009 Bill 937-12-500

Check Amount

Wells Fargo Bank

635.08

Payment in U.S. FUNDS ONLY

SOUTHERN WATER CO.

2008 SECOND INTERVALATION FROM PART

Due March 1, 2009 SOUTHERN WATER CORPORATION Parcel Number: 937-12-500 5 Roll Number: 0000006

elinquency Date Second Half Payment enalty for late payment is 16% per year orated monthly as of the 1st day of the onth for payments postmarked after 5:00 VI. May 1, 2009 (ARS 42-18052 and ARS 1-18053).

DETACH AND RETURN WITH PAYMENT



Make check payable to: Caesar Ramirez Santa Cruz County Treasurer 2150 N Congress Dr Nogales AZ 85621-1091

635.08

1102

if your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.



HadaddallaaddaalHaddaaddaalddallaadd Caesar Ramirez Santa Cruz County Treasurer 2150 N Congress Dr Nogales AZ 85621-1091

2008 9371250005 S 0000001270160000063508

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SITUS ADDRESS	• .		02000 SANTA CRUZ COU	NTY	339.69	312.19
			02001 STATE SCHOOL T	AX EQU	0.00	- 35.64
			05025 SONOITA SD #25		441.24	529.69
LEGAL DESCRIPTION:			06102 PATAGONIA UHS		239.79	232.99
	•	•	11204 SONOTTA ELGIN		170.23	0.09
	*		11900 FIRE DISTRICT	ASSIST	14.27	10.78
the second second			15001 SANTA CRUZ COU	NTY FC	67.94	0.00

This is the only notice you will receive.

Caesar Ramirez Santa Cruz County Treasurer PO Box 1150 Nogales, AZ 85628

THIS IS A CALENDAR YEAR TAX NOTICE

937-12-500 5

Hubblish Hubblish Hubblish Hubblish SOUTHERN WATER CORPORATION EZRA H LEWIS 2102 N FORBES, #107 TUCSON, AZ 857450000

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS CHIC/2

TOTALS

PLEASE INCLUDE YOUR PARCEL NUMBER ON YOUR CHECK

1.270.16

1,121.24

PAYMENT INSTRUCTIONS

To pay the 1st half installment and full year tax notices of \$100 or less, send the 1st half coupon with your payment postmarked no later than Nov 2, 2009. To pay 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 3, 2010. To pay taxes for the full year if the entire amount billed exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec 31, 2009, and no interest will be charged for the current year.

Make your check payable to and mail to Caesar Ramirez Santa Cruz County Treasurer PO Box 1150 Nogales, AZ 85628

HOLM, HESTAND & VALENZUELA, CPAS, P.C. CERTIFIED PUBLIC ACCOUNTANTS 3131 NORTH COUNTRY CLUB ROAD, SUITE 109 TUCSON, ARIZONA 85716

DOUGLAS R. HOLM, CPA EMMA K. HESTAND, CPA JANETTE G. VALENZUELA, CPA TELEPHONE: (520) 326-8483

FAX: (520) 795-5191

E-MAIL: HHVCPA@EARTHLINK.NET

We have compiled the balance sheets of Southern Water Corporation as of December 31, 2009 and 2008, and the related statements of income and expense for the years then ended, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission--Utilities Division information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above, and accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and the supplementary information are presented in accordance with the requirements of the Arizona Corporation Commission--Utilities Division, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Holm, Hesterd, Valenguela CPAs P.C.

March 17, 2010